

## **THE STATE OF TEXAS 1915(b) PROGRAM**

Project Name:	NorthSTAR Behavioral Health Medicaid Managed Care Program
Project Approval:	September 7, 1999
Project Modification Approval:	October 14, 1999
Project Modification Approval:	April 5, 2000
Project Modification Approval:	June 28, 2000
Project Modification Approval:	November 16, 2000
Project Expiration:	October 31, 2001
Project Renewal Approval:	November 1, 2001
Project Renewal Expiration:	November 5, 2003

### **PROGRAM SUMMARY**

The State of Texas operates a Medicaid managed care program under the authority of a 1915(b) waiver. The program, entitled NorthSTAR Behavioral Health Medicaid Managed Care Program, received initial approval on September 7, 1999. NorthSTAR provides mental health and substance abuse services in seven counties in the Dallas service area. NorthSTAR is available to residents of Collin, Dallas, Ellis, Hunt, Kaufman, Navarro, and Rockwall counties. The goals of the waiver program are to provide Medicaid enrollees better quality and access to mental health and substance abuse services while reducing overall State behavioral health expenditures. Initially, the State hired two contractors to provide all covered mental health services including inpatient and outpatient hospital services, psychiatric physician care and community mental health services. One contractor, however, elected not to renew its contract with NorthSTAR in June 2000. Since October 2000, the State has continued operation of the program with one plan, ValueOptions, providing services to all NorthSTAR recipients.

Texas received approval for several waiver modifications during the program's initial two-year approval period. They include:

- October 14, 1999 – to delay the implementation date of the waiver until November 1, 1999;
- April 5, 2000 – to expedite the enrollment of pregnant women into the NorthSTAR program;
- June 28, 2000 – to adjust the upper payment limit calculations to delete recipient months associated with populations that were not covered under the waiver; and
- November 16, 2000 – to allow continued operation of the program with ValueOptions as the sole plan provider for the remainder of the waiver period.

Enrollment in the waiver is mandatory and there are approximately 250,000 enrolled in the program. The current two-year waiver renewal expires on November 5, 2004.

### **HEALTH CARE DELIVERY**

Under the managed care delivery system model, NorthSTAR serves Medicaid recipients and medically indigent people based on their need for behavioral health services. The Behavioral

Health Organization, ValueOptions, manages the service delivery system for NorthSTAR beneficiaries living in the NorthSTAR service area.

### **BENEFIT/SERVICE PACKAGE**

The NorthSTAR program provides all mental health services to include inpatient and outpatient hospital services, psychiatric physician care, and community mental health services. At the discretion of the plan and providers, NorthSTAR may provide wrap-around mental health services such as Assertive Community Treatment and Rehabilitation, Supported Housing and Supportive Employment and other services as medically necessary.

### **COST EFFECTIVENESS**

Texas projects savings of \$10,324,232 during the two years of the renewal.

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